

**BOARD OF SUPERVISORS
ACTING AS THE PINE-STRAWBERRY WATER IMPROVEMENT DISTRICT
BOARD OF DIRECTORS**

GILA COUNTY, ARIZONA

Date: July 13, 2004

JOSÉ M. SANCHEZ

Chairman

JOHN F. NELSON

Clerk of the Board

RONALD A. CHRISTENSEN

Vice-Chairman

By: Marian Sheppard
Chief Deputy Clerk

CRUZ SALAS

Member

Pine Community Center
Pine, Arizona

PRESENT: José M. Sanchez, Chairman; Ronald A. Christensen, Vice-Chairman; Cruz Salas, Member; and, Patti Wortman, 1st Chief Deputy County Attorney.

The Gila County Board of Supervisors acting as Pine-Strawberry Water Improvement District Board of Directors met at 10:00 a.m. to conduct the business of the Pine-Strawberry Water Improvement District. Supervisor Salas led the Pledge of Allegiance

Chairman Sanchez asked Vice-Chairman Christensen to chair today's meeting because the meeting location is within Vice-Chairman Christensen's Supervisorial District.

Lionel Martinez, Engineering Assistant, addressed agenda item number one, approval of the Pine-Strawberry Water Improvement District (PSWID) fiscal year 2004-2005 budget in the amount of \$137,660. Mr. Martinez advised that today's requested Board action is to approve the PSWID "tentative" budget rather than the "proposed" budget. He explained that the Payson Roundup Newspaper inadvertently left out the public hearing notice and budget publications from the legal advertising section of the July 20, 2004, and July 27, 2004, editions of the newspaper as requested. **(A copy of an apology**

letter dated July 14, 2004, from the Payson Roundup is permanently attached to these minutes.) At this time copies of the PSWID financial reports ending December 31, 2003, and June 30, 2004, and FY 2004-2005 PSWID budget were presented to the Board of Directors and made available to the audience. A discussion ensued between Mr. Martinez, the Board and members of the audience regarding the budget. The following PSWID members addressed the Board: Mr. John Breninger, Ms. Bernice Wanandy, Mr. Forest McCoy, Mr. Bob Privette, Ms. Toni Sorel, Mr. Dan Brown and Mr. Gary Sherlock with budgetary concerns. A summary of the concerns expressed are as follows: 1) a request that an audit be conducted prior to the public hearing to adopt the proposed budget; 2) a full disclosure of expenditures to date and a listing of any outstanding bills and/or future spending commitments; 3) a concern that all PSWID funds may be expended prior to a new Board being elected in November 2004; 4) a request to break out 1st quarter projections for FY 2004-2005; 5) a concern that the previous Board of Directors' authority was never legally revoked; and, 6) \$6,900 expenditure for Economist.com listed on the financial report ending June 30, 2004. Mr. Howard Mathews, a Pine resident, stated that Board of Directors' actions to date have been handled in a reasonable and appropriate manner. Ms. Wortman advised that the previous Board of Directors' authority was legally revoked. Chairman Christensen advised that no further public comments would be accepted on this agenda item. Upon motion by Supervisor Sanchez, seconded by Supervisor Salas, the Board unanimously adopted the FY 2005-2005 Tentative Budget in the amount of \$137,660. **(Copies of the budget and financial reports ending December 31, 2003, and June 30, 2004, are permanently attached to these minutes.)**

John Breninger addressed agenda item number 2, acceptance of the Final Report for the PSWID Project PS 2002-01, Morrison-Majerle Report. Prior to reviewing the reports to be handed over to the Chief Deputy Clerk of the Board, Mr. Breninger requested to publicly recognize the following individuals

for their contributions to the hydrologic study: Mr. Michael B. Kaczmarek, Principal of Morrison-Majerle, Inc. of Helena, Montana; Dr. Abraham Springer and Dr. Ron Brighton of the Northern Arizona University Geology Department; Mr. Don Bills of the United States Geological Service (USGS), Flagstaff, Arizona; and, Mr. John Parker of USGS, Tucson, Arizona. At this time, Mr. Breninger provided an overview of the contents of the Index List of Final Reports and handed over the files and a CD ROM containing the Final Report to Marian Sheppard. **(A copy of the Index is permanently attached to these minutes.)** During Mr. Breninger's report, he mentioned that a component of the hydrologic study was to identify probable drill sites which resulted in one drill site being selected. Chairman Christensen asked Mr. Breninger why only one site was selected for drilling instead of the 2-5 sites that were identified. Mr. Breninger replied that certain criteria for identifying drill sites were given to the contractor to include that the drill site be located on private land. The final data presented by the contractor identified a small triangle of land located on the northwest corner of Strawberry Valley. Mr. Breninger advised that it was his decision as PSWID Agent to select that proposed site for drilling. Chairman Christensen asked for the date Mr. Breninger made that decision. Mr. Breninger stated, "The investigation part of it occurred in February-March (2003) and we were seeing that there were no surprises in what we were finding in this data orientation..." Chairman Christensen advised that a Board action should have been taken at that time to select the drill site. Mr. Breninger advised that he was delegated as PSWID Agent in the year 2002 and, therefore, was authorized to select the drill site. Each Board member thanked Mr. Breninger for the report and for all of his efforts on this project. Upon motion by Supervisor Sanchez, seconded by Supervisor Salas, the Board unanimously accepted the Final Report for the PSWID Project PS 2002-01, Morrison-Majerle Report.

Harry Jones, Consultant to the Board of Supervisors on PSWID issues, requested that John Breninger be released from his delegation of duties as

PSWID Agent. Mr. Jones advised that Mr. Breninger made the request to be released from his duties as PSWID Agent. Upon motion by Supervisor Sanchez, seconded by Supervisor Salas, the Board unanimously agreed to release John Breninger as PSWID Agent.

Mr. Jones addressed agenda item number 4, authorization for John Breninger to continue to maintain the PSWID Wells Data Base. Mr. Jones advised that there are liability issues pertaining to the computer hardware, software and files that are located at Mr. Breninger's home, which include the PSWID Wells Data Base. Mr. Jones further advised that he researched the possibility of the County or the PSWID providing liability insurance on the computer and its contents as requested by Mr. Breninger. Mr. Jones reported that per County policy, liability insurance cannot be provided by the County for the computer or its contents and the PSWID does not carry insurance coverage of any kind. A discussion ensued between the Board and Mr. Breninger. At the conclusion of the discussion, a motion was made by Supervisor Salas to deny Mr. Breninger authorization to continue to maintain the PSWID Wells Data Base. The motion was seconded by Supervisor and passed with a unanimous vote. Chairman Christensen directed Mr. Nelson to contact Mr. Breninger to decide upon a secure location other than Mr. Breninger's home for the computer and the PSWID Wells Data Base information.

Chairman Christensen addressed agenda item number 5, a recommended course of action for the development of a proposal for "Deep Wells" in the PSWID areas to be presented by member of CAWS (Citizens for an Adequate Water Supply). He advised that upon the Board's review of the information to be presented today by CAWS, a concern arose regarding certain information to be presented that does not relate to this agenda item. Chairman Christensen advised that the presentation included CAWS making certain demands or placing certain conditions on the actions of the present Board and future Board. A discussion ensued between Chairman Christensen

and Mr. Breninger. Chairman Christensen advised that no presentation would be made by CAWS as stated on agenda item number 5.

Bob Cassaro, a Pine resident, provided an overhead slide presentation to the Board on behalf of POWRS (Publicly Owned Water System). He advised that POWRS is comprised of a group of local citizens whose objective is to “solve the problem”. Mr. Cassaro stated that POWRS’ Mission Statement is establish a community-owned and operated water supply that would stand responsible for the delivery of an ample and reliable supply of water for domestic and even more importantly fire suppression in an efficient and economical pattern. He advised that POWRS’ goal is to purchase the assets of Pine Water Company, Strawberry Water Company, and the Magnolia Pipeline. Mr. Cassaro recapped problems that exist within the current water supply companies and he proceeded to provide an overview of the proposed financing for said purchases. **(A copy of Mr. Cassaro’s presentation is permanently attached to these minutes.)** The Board thanked Mr. Cassaro for the presentation.

Chairman Christensen adjourned the meeting at 12:26 p.m.

Ronald Christensen, Acting Chairman

ATTEST:

John F. Nelson, County Manager/Clerk